

(Unofficial Translation)



**LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

**The Government**

**No. 151/ GOV  
Vientiane Capital, 28 April 2014**

**DECREE  
On  
Private Hospitals**

- Pursuant to the Law on Government of Lao PDR, No. 02/NA, dated 06 May 2003;
- Pursuant to the Law on Investment Promotion, No. 02/NA, dated 08 July 2009;
- Pursuant to the Law on Healthcare, No. 09/NA, dated 09 November 2005;
- Pursuant to the Letter from Minister of Health, No. 0206/MOH, dated 12 February 2014.

**Government hereby issued a Decree:**

**Part 1  
General Provision**

**Article 1. Objective**

This Decree defines principles, regulation and measures related to the supervision of Private Hospital business operation in order to ensure that the organization and implementation of such hospitals to be compliant with the Party's policies and laws and regulations of the government for health services to have high quality, effectiveness and fair.

**Article 2. Private Hospitals**

Private Hospitals are places for providing services on health checkup, diagnosis, treatment, restoration, health promotion and disease prevention with medical equipment, beds and healthcare professionals in accordance with regulations, which are owned by private sector that received an approval from the Ministry of Health.

**Article 3 Decree Scope of Application**

This Decree applies to individuals, legal entities that operate private hospital business in Lao PDR.

**Part 2  
Types, Features, Sizes of Private Hospitals**

**Article 4 Types of Private Hospitals**

There are 2 types of private hospitals as following:

- 1) Hundred percent private invested hospital (100%);

- 2) Public and private joint-venture hospitals.

#### **Article 5 Features of Private Hospital**

There are 3 features of private hospitals as following:

- 1) General hospitals that provide healthcare services in each level containing many different medical fields, but may specialize on certain medical fields;
- 2) Specialized hospitals that provide healthcare services in each level focusing mainly on certain medical fields that specializes on certain conditions;
- 3) Traditional medical hospitals that provide healthcare services in each level focusing mainly on traditional medical.

#### **Article 6 Levels of Private Hospitals**

There are 3 levels of private hospitals as following:

Level 1. Big hospitals

Level 2. Medium size hospitals

Level 3. Small hospitals

All types of hospitals, features and levels shall have qualified human resources and modern medical equipment in having healthcare services levels of highest, high and medium as specified in Article 13, 14 and 15 of the Law on Healthcare.

### **Part 3**

#### **The Organization and Operation of Private Hospitals**

#### **Article 7 Functions of Private Hospitals**

In order to provide services of private hospitals that authorized by the Ministry of Health have functions to operate healthcare services that meet standards, have different technics and technologies and equity in front of laws on providing services.

#### **Article 8 Duties on Services of Private Hospitals**

Private hospitals have following duties:

1. To implement medical technics technologies with standard and accuracy;
2. To establish, organize, operate and conduct medical scientific research in country and internationally.
3. To cooperate with public sector to provide continuous education, training for doctors, nurses and other health staff.

#### **Article 9 Scope of Rights of Private Hospitals**

Private hospitals have following main scope of rights:

1. To be based on content of the approval and relevant regulations of Lao PDR;
2. To operate according to the rules and mechanism of private hospitals;
3. To contact, sign contract, other records with individuals, legal entities or internal and international organizations in accordance with conditions and laws and regulations of Lao PDR.

#### **Article 10 Directors of Private Hospitals**

Directors of medical section of private hospitals invested by foreigners to operate private hospital business shall be at least one Lao national doctor who meet the conditions, technical standards and with more than 10 year experience on healthcare, if still be a government official, shall receive permission from the Healthcare Professional Administrative Council of the

Ministry of Health and be able to work after official working hours only, have good historical performance with ethic and have never been punished by the court related to misconduct of this profession.

#### **Article 11 Staff Recruitment for Private Hospitals**

Technical staff of private hospitals shall implement as follow:

1. Staff recruitment for private hospitals shall be implemented according to the Law on Labour of Lao PDR;
2. In case of retired government officials, pre-retired or resigned from being officials who have healthcare certification which is certified by their previous hospitals;
3. In case of foreign healthcare professionals, they shall be acknowledged and certified by the Healthcare Professional Administrative Council of the Ministry of Health;
4. Healthcare professionals in each level from the diploma level who are Lao national that will work in private hospitals shall have healthcare professional certificate from the Ministry of Health;
5. If still be government officials, they are allowed to work for private hospitals after official working hours only.

#### **Article 12 Obligations of Private Hospitals**

Private Hospitals have following obligations:

1. To operate healthcare services according to the Law of Healthcare and the other relevant laws and regulations of Lao PDR;
2. To provide healthcare services in case of emergency and urgency for poor people and less income earners;
3. To contribute to the development of policy plan and government healthcare strategy in each period;
4. To report information on services information, statistics on disease and resolution for epidemics to Office of Health in districts, municipality, Division of Health in provinces, Vientiane Capital and the Ministry of Health;
5. To report on actual operation of their hospitals in each period to Division of Health in provinces, Vientiane Capital and the Ministry of Health;
6. To cooperate with the Ministry of Health for setting services fee in each period;
7. To implement other obligations according to relevant laws and regulations.

#### **Article 13 Importation of Equipment and Medical Products**

Importation of equipment and medical products for healthcare service operation of private hospitals in Lao PDR shall receive an approval from relevant authorities as defined in laws and regulations of Lao PDR.

#### **Article 14 Government Policies on Private Hospitals**

Government has specific promotion policies and there are incentives on renting fees or government land concession, tariffs, taxation and other fees for importation of equipment, medical products and operation of all types, features and levels of private hospitals.

## **Part 4**

### **Approval for Private Hospital Business Operation**

#### **Article 15 Private Hospital Operation**

Domestic and foreign Individuals, legal entities wish to operate a private hospital business firstly shall submit application to the Ministry of Industry and Commerce as defined in the Law on Investment Promotion, Law on Enterprises and other relevant laws and regulations, then such application will be forwarded to the Ministry of Health for comments that will form as information for the Ministry of Industry and Commerce to for consider and issue a business registration.

#### **Article 16 Application Procedure for Private Hospital Business Operation**

After receiving a business registration from the Ministry of Industry and Commerce, individuals, legal entities wish to operate a private hospital business shall submit application with requested documents to the Ministry of Health requesting for operating of a private hospital service business, which will follow the printed forms provided by the Ministry of Health.

#### **Article 17 Consideration and Approval for Business Operation**

After receiving the application and checking all documents to be compliant with Article 16 of this Decree, the Ministry of Health shall consider issuance a private hospital business operating license for the applicant within 30 days from the date of receiving application.

Private hospitals that have operated healthcare services but would like to expand, increase scope of activities, hospital size or to branch expansion in other places shall prepare documents to apply for approval with the Ministry of Health, Ministry of Industry and Commerce and other relevant line ministries as defined in laws and regulations.

## **Part 5**

### **Transfer and Dissolution of Private Hospitals**

#### **Article 18 Transfer of Business**

In case of private hospital owners cannot continue their business because of some reasons or have an intention to transfer their business to others, shall notify in written prior six months with documents and contract between the old owners and new owners to the Ministry of Planning and Investment and Ministry of Health.

#### **Article 19 Dissolution of Private Hospitals**

Private hospitals may be dissolved by following cases:

1. The implementation and business operation do not meet the requirements and relevant laws and regulations;
2. Investors request for closing business by proposing to the concerned committees at least six months before closing and follow relevant laws and regulations;
3. It is found that there is serious violation of laws and regulations of Lao PDR.

Health Authority shall report to the higher level for consideration of dissolution of private hospital business on a case by case basis.

## **Part 6**

### **Implementation Measures**

#### **Article 20 Supervision and Inspection**

The Ministry of Health, local administrative authorities and relevant line ministries are authorities who supervise and inspect private hospital business operation, if it is found that there are illegal operation against laws and regulations, health authority shall coordinate with relevant line ministries to establish a committee for inspection such hospitals.

- At central level: the Ministry of Health is assigned to regularly supervise and inspect once a year and can inspect any time provided there is a request from Division of Health in province, Vientiane Capital.
- At local level: Division of Health in provinces, Vientiane Capital are assigned to supervise and inspect at least twice a year and can inspect provided there is a report from patient families or local authorities.

#### **Article 21 Prohibition of Services of Private Hospitals**

Private hospitals are prohibited to provide the following services:

1. To engage in trade of products or organs of live or dead human bodies;
2. To misleading advertise in any forms for patients to use healthcare at their hospitals;
3. To import equipment, medicine and medical products that have not received an approval to use in healthcare services of private hospitals;
4. To import old medical equipment (second hand to use in healthcare services of private hospitals;
5. To import equipment, medicine and medical products for distribution in markets as an import-export of medicine and medical equipment company;
6. To operate healthcare services and issue a medical license that are not compliant with the Law on Healthcare and other relevant laws.

## **Part 7**

### **Final Provisions**

#### **Article 22 Logo and Seal**

The Ministry of Health is assigned to consider and approve the logo of each types of private hospitals based on the request of relevant sectors.

Private hospitals have their own seal to facilitate their operation.

#### **Article 23 Implementation**

The Ministry of Health is assigned to closely cooperate with the Ministry of Planning and Investment, Ministry of Finance, Ministry of Industry and Commerce and relevant line ministries to strictly implement this Decree.

Ministries, organizations equivalent to Ministries and local authorities in all levels shall acknowledge and implement this Decree according to their functions, scope of rights and duties.

**Article 24 Effectiveness**

This Decree is effective from the date of signature and replaces Decree No. 016/PM, dated 09 February 1998.

Any regulations, provisions that contradict with and Decree shall be canceled.

**Government of Lao PDR**

**Prime Minister**

**[Signature and Seal]**

**Thongsing Thammavong**